

DIXIE GROUP INC
Form 10-Q
November 06, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 28, 2013
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 0-2585

THE DIXIE GROUP, INC.

(Exact name of Registrant as specified in its charter)

Tennessee

62-0183370

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

104 Nowlin Lane, Suite 101, Chattanooga, TN 37421

(423) 510-7000

(Address of principal executive offices) (zip code)

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

- Large accelerated filer Accelerated filer
- Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes No

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The number of shares outstanding of each of the issuer's classes of Common Stock as of the latest practicable date.

Class	Outstanding as of October 21, 2013
Common Stock, \$3 Par Value	12,429,669 shares
Class B Common Stock, \$3 Par Value	872,562 shares
Class C Common Stock, \$3 Par Value	0 shares

THE DIXIE GROUP, INC.

Table of Contents

	Page
PART I. FINANCIAL INFORMATION	
Item 1. <u>Financial Statements</u>	<u>3</u>
<u>Consolidated Condensed Balance Sheets - September 28, 2013 (Unaudited) and December 29, 2012</u>	<u>3</u>
<u>Consolidated Condensed Statements of Operations - Three and Nine Months Ended September 28, 2013 (Unaudited) and September 29, 2012 (Unaudited)</u>	<u>4</u>
<u>Consolidated Condensed Statements of Comprehensive Income (Loss) - Three and Nine Months Ended September 28, 2013 (Unaudited) and September 29, 2012 (Unaudited)</u>	<u>5</u>
<u>Consolidated Condensed Statements of Cash Flows - Nine Months Ended September 28, 2013 (Unaudited) and September 29, 2012 (Unaudited)</u>	<u>6</u>
<u>Notes to Consolidated Condensed Financial Statements (Unaudited)</u>	<u>8</u>
Item 2. <u>Management's Discussion and Analysis of Results of Operations and Financial Condition</u>	<u>23</u>
Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	<u>28</u>
Item 4. <u>Controls and Procedures</u>	<u>28</u>
PART II. OTHER INFORMATION	
Item 1. <u>Legal Proceedings</u>	<u>29</u>
Item 1A. <u>Risk Factors</u>	<u>29</u>
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>30</u>
Item 3. <u>Defaults Upon Senior Securities</u>	<u>31</u>
Item 4. <u>Mine Safety Disclosures</u>	<u>31</u>
Item 5. <u>Other information</u>	<u>31</u>
Item 6. <u>Exhibits</u>	<u>31</u>
<u>Signatures</u>	<u>32</u>

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

THE DIXIE GROUP, INC.

CONSOLIDATED CONDENSED BALANCE SHEETS

(dollars in thousands, except share data)

	September 28, 2013 (Unaudited)	December 29, 2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$590	\$491
Receivables, net	48,157	32,469
Inventories	90,470	72,245
Deferred income taxes	6,678	5,615
Other current assets	5,269	4,235
TOTAL CURRENT ASSETS	151,164	115,055
PROPERTY, PLANT AND EQUIPMENT, NET	74,269	69,483
OTHER ASSETS	23,836	17,232
TOTAL ASSETS	\$249,269	\$201,770
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$26,538	\$14,891
Accrued expenses	23,831	19,147
Current portion of long-term debt	4,259	4,059
TOTAL CURRENT LIABILITIES	54,628	38,097
LONG-TERM DEBT	102,751	80,166
DEFERRED INCOME TAXES	4,591	3,824
OTHER LONG-TERM LIABILITIES	18,840	15,637
TOTAL LIABILITIES	180,810	137,724
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common Stock (\$3 par value per share): Authorized 80,000,000 shares, issued and outstanding - 12,429,669 shares for 2013 and 12,173,961 shares for 2012	37,289	36,522
Class B Common Stock (\$3 par value per share): Authorized 16,000,000 shares, issued and outstanding - 872,562 shares for 2013 and 952,784 shares for 2012	2,618	2,858
Additional paid-in capital	136,945	136,744
Accumulated deficit	(108,147)	(111,840)
Accumulated other comprehensive income (loss)	(246)	(238)
TOTAL STOCKHOLDERS' EQUITY	68,459	64,046
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$249,269	\$201,770

See accompanying notes to the consolidated condensed financial statements.

Table of Contents

3

THE DIXIE GROUP, INC.
 CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
 (UNAUDITED)

(dollars in thousands, except per share data)

	Three Months Ended		Nine Months Ended		
	September 28, 2013	September 29, 2012	September 28, 2013	September 29, 2012	
NET SALES	\$90,210	\$65,822	\$249,267	\$195,238	
Cost of sales	68,110	49,265	186,453	147,260	
GROSS PROFIT	22,100	16,557	62,814	47,978	
Selling and administrative expenses	20,228	15,785	55,964	46,530	
Other operating (income) expense, net	42	(48) 72	48	
OPERATING INCOME	1,830	820	6,778	1,400	
Interest expense	896	781	2,760	2,270	
Other (income) expense, net	3	(189) 21	(281)
Refinancing expenses	—	—			